

Message Text

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41

ACTION NEA-16

INFO OCT-01 ISO-00 AF-10 AID-20 CIAE-00 COME-00 EB-11

FRB-02 INR-10 NSAE-00 RSC-01 TRSE-00 XMB-07 OPIC-12

SP-03 CIEP-02 LAB-06 SIL-01 OMB-01 DRC-01 DODE-00

PA-04 USIA-15 PRS-01 L-03 SS-20 NSC-07 H-03 /157 W

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R 100930Z JUN 74

FM AMEMBASSY RABAT

TO SECSTATE WASHDC 2160

INFO AMCONSUL CASABLANCA

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E.O. 11652 N/A

TAGS: EIND MO

SUBJ: PROCTER & GAMBLE SETTLES MOROCCANIZATION

REMITTANCE ISSUE WITH GOM.

1. P & G INTERNATIONAL DIVISION MANAGER SHERIF MET ON JUNE 6 WITH MIN FINANCE SEC GEN LAHLOU AND FINALLY SETTLED PRICE AND TIME PERIOD FOR REMITTANCE OF PROCEEDS GAINED FROM SALE OF P & MOROCCO SHARES TO EFFECT MOROCCANIZATION. AGREEMENT ALLOWS DH 420/SHARE REPATRIATION SPACED OVER EIGHTEEN MONTHS. COMING AFTER PROLONGED AND FRUSTRATING NEGOTIATIONS BETWEEN SHEIF AND GOM'S OFFICE DE CHANGES, SETTLEMENT REPRESENTS SUBSTANTIAL CONCESSION BY MOROCCANS, WHO HAD EARLIER INSISTED ON TRANSFER OVER FIVE YEARS AT SAME PRICE.

3. SHERIF QUITE SATISFIED WITH SETTLEMENT, WHICH RESOLVES THAT MAJOR ISSUE OF OUR MOST IMPORTANT AND DIFFICULT MOROCCANIZATION CASE TO DATE. HE TOLD EMBOFFS THAT LAHLOU, APPARENTLY OPERATING UNDER SPECIFIC INSTRUCTIONS OF MIN FINANCE BENSLIMANE, VERY CONCILIATORY. (HE SIAD LAHLOU TOLD HIM AGREEMENT GIVES COMPANY MORE THAN GOM HAS GRANTED ANY OTHER TO DATE, WHICH WE THINK MAY WELL BE TRUE.) SHERIF BELIEVES GOM'S FORTHCOMINGNESS

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DIRECTLY RELATED TO CONCERN AT HIGH LEVELS IN RABAT OVER

EFFECT CONTINUED DICKERING WITH P G COULD HAVE ON
MOROCCO'S INVESTMENT IMAGE IN U.S.

3. TO CLOSE OUT MOROCCANIZATION DOSSIER, P & G WILL SOON
BEGIN NEGOTIATIONS WITH OFFICE DES CHANGES ON QUESTION OF
TECHNICAL ASSISTANCE ROYALTIES. OFFICE HAS ALREADY AGREED
TO ROYALTY IN PRINCIPAL, BUT THERE MAY WELL BE CONSIDERABLE
DISCUSSION ON ITS SIZE. P & G VIEWS THIS, HOWEVER, AS
RELATIVELY MINOR PROBLEM COMPARED TO REMITTANCE ISSUE.
PARKER

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: NATIONALIZATION, AGREEMENTS, DEBTS, DEBT REPAYMENTS, NEGOTIATIONS
Control Number: n/a
Copy: SINGLE
Draft Date: 10 JUN 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: smithrj
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974RABAT02601
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D740148-0392
From: RABAT
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740659/aaaabyyl.tel
Line Count: 71
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION NEA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: smithrj
Review Comment: n/a
Review Content Flags:
Review Date: 22 AUG 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <22 AUG 2002 by izenbei0>; APPROVED <06 MAR 2003 by smithrj>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: PROCTOR & GAMBLE SETTLES MOROCCANIZATION REMITTANCE ISSUE WITH GOM.
TAGS: EIND, MO, PROCTOR & GAMBLE
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005